

LOCAL GOVERNMENT AGREED-UPON PROCEDURES OFFICE REVIEW

GOVERNMENT: _____ FYE: _____

REVIEWER: _____ REVIEW DATE: _____

Date Received: _____ Agrees with Log: _____ Date Revisions Received: _____ Agrees with Log: _____

_____ Items cited which are marked with a 1 and must be corrected for the report to comply with state law:

_____ Items cited which are marked with a 2 but were cited in prior year review and must be corrected this year:

_____ Items cited which are marked with a 2 and must be corrected next year:

_____ Items which are marked with a 3 and are recommended to improve the quality of report.

_____ The report was in substantial compliance with reporting standards and statutory requirements.

Summary of Expenditures/Expenses Per the Report of Local Government Finances

Part V - Expenditures from All Funds and Programs _____

Part VI - Expenditures For Public Utility Systems & Other Enterprise Funds _____

Part X - Debt Service Expenditures/Expenses (see Note 1 below) _____

Total (see Note 2 below) _____

Note1: The instructions to the Report of Local Government Finances indicate that no interest expenditures should be reported in Part V; it should be reported in Part X. In contrast, interest expenditures should be reported in Part VI. These same interest expenditures will also be reported in Part X. Therefore, reviewer should carefully review the amounts reported to avoid duplicating expenses. In addition, reviewer should consider that debt service principal payments reported in Part X are considered expenditures for governmental fund types but not for proprietary fund types.

Note 2: The Instructions for the Report of Local Government Finances requires the Report to be prepared on a cash basis or on a basis consistent with audited financial statements. If the Report is prepared on the cash basis (which most of the reports should be since many small governments do not contract for an audit of their financial statements), the total above should agree to cash disbursements on the Independent Accountant's Report on Applying Agreed-Upon Procedures.

Corrective Action Plan Required? (Circle one.) **NO** **YES** if yes, date rec'd: _____

Symbols

The following symbols have been used to cite reference material:

Authoritative

- OCGA - Official Code of Georgia Annotated.
AT - Codification of Statements on Standards for Attestation Engagements, American Institute of Certified Public Accountants (AICPA) (copyright 2011, covering currently effective Statements 1 - 17).

Any questions concerning local government agreed-upon procedures reviews should be addressed to the Georgia Department of Audits and Accounts, Nonprofit and Local Government Audits Division, 270 Washington Street, SW, Suite 1-156, Atlanta, Georgia 30334-8400 or telephone (404) 651-5115 or fax (404) 651-5608 or email locgov@audits.ga.gov. The Georgia Department of Audits and Accounts website is www.audits.ga.gov.

Item No.	Criteria	*	Correct Incorrect N/A
General			
A1.	A local government electing to provide for an annual report of agreed-upon procedures in lieu of an annual or biennial audit must have expenditures of less than \$300,000 for the fiscal year. The Independent Accountant's Report on Applying Agreed-Upon Procedures and Report of Local Government Finances indicate that expenditures exceeded \$300,000. Therefore, the municipality is not eligible to have the agreed-upon procedures performed and must provide for an annual audit. (OCGA 36-81-7)	1	
A2.	The Independent Accountant's Report on Applying Agreed-Upon Procedures references the accompanying Report of Local Government Finances. However, we were unable to locate the Report of Local Government Finances for review. A copy of the Report of Local Government Finances must be submitted to the Department of Audits and Accounts in order for us to accept the Independent Accountant's Report on Applying Agreed-Upon Procedures.	1	
Independent Accountant's Report on Applying Agreed-Upon Procedures			
B1.	An Independent Accountant's Report on Applying Agreed-Upon Procedures is required to be submitted for municipalities electing to engage a certified public accountant to perform the agreed-upon procedures. (OCGA 36-81-7(a)(3))	1	
B2.	The Independent Accountant's Report on Applying Agreed-Upon Procedures should be prepared by a person, partnership, association or corporation holding a live permit for the practice of public accountancy. (OCGA 36-81-7)	1	
B3a.	The Independent Accountant's Report on Applying Agreed-Upon Procedures should contain the following elements: (AT 201.31)	2	
B3b.	A title that includes the word <i>independent</i>	2	
B3c.	Identification of specified parties	2	
	<i>(Note to Reviewer: The list of specified users should include the Georgia Department of Audits and Accounts.)</i>		
B3d.	Identification of the subject matter (or the written assertion related thereto) and the character of the engagement	2	
B3e.	Identification of the responsible party	2	
B3f.	A statement that the subject matter is the responsibility of the responsible party	2	

Item No.	Criteria	*	Correct Incorrect N/A
B3g.	A statement that the procedures performed were those agreed to by the specified parties identified in the report	2	
B3h.	A statement that the agreed-upon procedures engagement was conducted in accordance with attestation standards established by the AICPA	2	
B3i.	A statement that the sufficiency of the procedures is solely the responsibility of the specified parties and a disclaimer of responsibility for the sufficiency of those procedures	2	
B3j.	A list of the procedures performed (or references thereto) and related findings	2	
	<i>(Note to Reviewer: AT 201.24 states that: "The practitioner should not provide negative assurance about whether the subject matter or the assertion is fairly stated based on the criteria." AT 201.26 gives the following recommended language if no findings are found: "No exceptions were found as a result of applying the procedure.")</i>		
B3k.	A statement that the practitioner was not engaged to, and did not, perform an examination of the subject matter, the objective of which would be the expression of an opinion, a disclaimer of opinion on the subject matter, and a statement that if the practitioner had performed additional procedures, other matters might have come to his or her attention that would have been reported	2	
B3l.	A statement of restrictions on the use of the report because it is intended to be used solely by the specified parties	2	
	<i>(Note to Reviewer: The list of specified users should include the Georgia Department of Audits and Accounts.)</i>		
B3m.	The manual or printed signature of the practitioner's firm	2	
B3n.	The date of the report	2	
	<i>(Note to Reviewer: An example of the Independent Accountant's Report on Applying Agreed-Upon Procedures can be found in the Department of Audits and Accounts' Work Program for Applying Agreed-Upon Procedures).</i>		
B4.	The Independent Accountant's Report on Applying Agreed-Upon Procedures should state that the procedures performed included a proof and reconciliation of cash, confirmation of cash balances, and a listing of bank balances by bank. (OCGA 36-81-7)	1	

	<p><i>(Note to Reviewer: The language recommended in our Work Program is:</i></p> <p><i>We performed a proof and reconciliation of cash on deposit with the following banks to the balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks.</i></p> <table><tr><td></td><td colspan="2"><u>Balance Per</u></td></tr><tr><td></td><td><u>Bank</u></td><td><u>General Ledger</u></td></tr><tr><td>Bank A</td><td>XXX</td><td>XXX</td></tr><tr><td>Bank B</td><td>XXX</td><td>XXX</td></tr><tr><td>Bank C - regular operating account</td><td>XX,XXX</td><td>XX,XXX</td></tr><tr><td>Bank C - payroll account</td><td>X,XXX</td><td>X,XXX</td></tr></table>		<u>Balance Per</u>			<u>Bank</u>	<u>General Ledger</u>	Bank A	XXX	XXX	Bank B	XXX	XXX	Bank C - regular operating account	XX,XXX	XX,XXX	Bank C - payroll account	X,XXX	X,XXX		
	<u>Balance Per</u>																				
	<u>Bank</u>	<u>General Ledger</u>																			
Bank A	XXX	XXX																			
Bank B	XXX	XXX																			
Bank C - regular operating account	XX,XXX	XX,XXX																			
Bank C - payroll account	X,XXX	X,XXX																			
B5.	The Independent Accountant’s Report on Applying Agreed-Upon Procedures should state that a statement of cash receipts and cash disbursements is included with the Report. (OCGA 36-81-7)	1																			
	<p><i>(Note to Reviewer: The language recommended in our Work Program is:</i></p> <p><i>We ensured that the accompanying Report of Local Government Finances was prepared in accordance with the format and instructions promulgated by the Georgia Department of Community Affairs and that the amounts reported on each schedule are supported by, and reconciled to, the accounting records of Name of Government Entity for the year ended Fiscal Year End Date.)</i></p>																				
B6.	The Independent Accountant’s Report on Applying Agreed-Upon Procedures should reconcile cash reported at the beginning of the fiscal year to cash at the end of the fiscal year in a manner which agrees to amounts reported in the Report of Local Government Finances. (OCGA 36-81-7)	1																			
	<p><i>(Note to reviewer: The language recommended in our Work Program is:</i></p> <p><i>We reconciled cash per general ledger at Previous Fiscal Year End Date (i.e. June 30, 2003) to cash per general ledger at Fiscal Year End Date (i.e. June 30, 2004) as follows:</i></p> <table><tr><td><i>Cash and Cash Equivalents at Previous Fiscal Year End Date</i></td><td><i>X</i></td></tr><tr><td><i>Total Cash Receipts per Report of Local Government Finances</i></td><td><i>X</i></td></tr><tr><td><i>Total Cash Disbursements per Report of Local Government Finances</i></td><td><i>X</i></td></tr><tr><td><i>Cash and Cash Equivalents at Fiscal Year End Date</i></td><td><i>X</i></td></tr></table>	<i>Cash and Cash Equivalents at Previous Fiscal Year End Date</i>	<i>X</i>	<i>Total Cash Receipts per Report of Local Government Finances</i>	<i>X</i>	<i>Total Cash Disbursements per Report of Local Government Finances</i>	<i>X</i>	<i>Cash and Cash Equivalents at Fiscal Year End Date</i>	<i>X</i>												
<i>Cash and Cash Equivalents at Previous Fiscal Year End Date</i>	<i>X</i>																				
<i>Total Cash Receipts per Report of Local Government Finances</i>	<i>X</i>																				
<i>Total Cash Disbursements per Report of Local Government Finances</i>	<i>X</i>																				
<i>Cash and Cash Equivalents at Fiscal Year End Date</i>	<i>X</i>																				
B7.	The amount reported as cash receipts on the Independent Accountant’s Report on Applying Agreed-Upon Procedures should be reconcilable to the Report of Local Government Finances, or the differences should be disclosed separately in the reconciliation of cash on the Independent Accountant’s Report on Applying Agreed-Upon Procedures. (OCGA 36-81-7)	1																			

	<i>(Note to Reviewer: Revenues are reported in Parts I through IV on the Report of Local Government Finances.)</i>		
B8.	The amount reported as cash disbursements on the Independent Accountant's Report on Applying Agreed-Upon Procedures should be reconcilable to the Report of Local Government Finances, or the differences should be disclosed separately in the reconciliation of cash on the Independent Accountant's Report on Applying Agreed-Upon Procedures. (OCGA 36-81-7)	1	
	<i>(Note to Reviewer: Expenditures/expenses are reported in Parts V, VI, and X on the Report of Local Government Finances.)</i>		
B9.	The beginning and ending cash balances on the Independent Accountant's Report on Applying Agreed-Upon Procedures should agree to the Report of Local Government Finances. (OCGA 36-81-7)	1	
	<i>(Note to Reviewer: Beginning cash balances are included in Part XI, line 1 of the Report of Local Government Finances; ending cash balances in Part XI, total line 7)</i>		
	Independent Accountant's Report on Applying Agreed-Upon Procedures on Compliance with State Laws and Regulations		
C1.	An Independent Accountant's Report on Applying Agreed-Upon Procedures on Compliance with State Laws and Regulations is required to be submitted for municipalities electing to engage a certified public accountant to perform the agreed-upon procedures in lieu of an annual audit. (OCGA 36-81-7(a)(3))	1	
C2.	The Independent Accountant's Report on Applying Agreed-Upon Procedures on Compliance with State Laws and Regulations should be prepared by a person, partnership, association or corporation holding a live permit for the practice of public accountancy. (OCGA 36-81-7)	1	
C3a.	The Independent Accountant's Report on Applying Agreed-Upon Procedures on Compliance with State Laws and Regulations should contain the following elements: (AT 601.24)	2	
C3b.	A title that includes the word <i>independent</i>	2	
C3c.	Identification of the specified parties	2	
	<i>(Note to Reviewer: The list of specified users should include the Georgia Department of Audits and Accounts.)</i>		
C3d.	Identification of the subject matter of the engagement (or management's assertion thereon), including the period or point in time addressed and a reference to the character of the engagement	2	
C3e.	An identification of the responsible party	2	

C3f.	A statement that the subject matter is the responsibility of the responsible party	2	
C3g.	A statement that the procedures, which were agreed to by the specified parties identified in the report, were performed to assist the specified parties in evaluating the entity's compliance with specified requirements	2	
C3h.	A statement that the agreed-upon procedures engagement was conducted in accordance with attestation standards established by the AICPA	2	
C3i.	A statement that the sufficiency of the procedures is solely the responsibility of the specified parties and a disclaimer of responsibility for the sufficiency of those procedures	2	
C3j.	A list of procedures performed (or reference thereto) and related findings	2	
	<i>(Note to Reviewer: AT 601.24(i) states that: "The practitioner should not provide negative assurance. See section 201.24" AT 201.26 gives the following recommended language if no findings are found: "No exceptions were found as a result of applying the procedure.")</i>		
C3k.	A statement that the practitioner was not engaged to and did not conduct an examination of the entity's compliance with specified requirements (or the effectiveness of an entity's internal control over compliance), a disclaimer of opinion thereon, and a statement that if the practitioner had performed additional procedures, other matters might have come to his or her attention that would have been reported	2	
C3l.	A statement restricting the use of the report to the specified parties	2	
	<i>(Note to Reviewer: The list of specified users should include the Georgia Department of Audits and Accounts.)</i>		
C3m.	The manual or printed signature of the practitioner's firm	2	
C3n.	The date of the report	2	
	<i>(Note to Reviewer: An example of the Independent Accountant's Report on Applying Agreed-Upon Procedures on Compliance with State Laws and Regulations can be found in the Department of Audits and Accounts' Work Program for Applying Agreed-Upon Procedures.)</i>		
Other Reports Required by State Law			
D1a.	The government is required to submit the following for Special Purpose Local Option Sales Tax. (OCGA 48-8-121):	1	

D1b	A schedule which shows for each project in the resolution or ordinance calling for imposition of the tax the original estimated cost, the current estimated cost if it is not the original estimated cost, amounts expended in prior years, and amounts expended in the current year	1	
D1c.	An opinion on the Schedule of Special Purpose Local Option Sales Tax. This opinion is considered a report on special-purpose financial presentation to comply with regulatory provisions as defined by AU Section 623.22. This special-purpose report must contain the required elements of AU Section 623.25.	1	
	<i>(Note to Reviewer: Special Purpose Local Option Sales Tax revenues are reported in Part I, Section B, line 3 on the Report of Local Government Finances.)</i>		
D2.	For counties and municipalities levying and collecting a hotel/motel tax in accordance with the provisions of OCGA 48-13-51, the determination as to whether a county or municipality has complied with the expenditure requirements of this Code section should be prominently reflected in the audit required under Code Section 36-81-7. This determination should be made by: (i) calculating the amount of funds expended or contractually committed for expenditure as provided within the Code section during the fiscal year; and (ii) expressing such amount as a percentage of tax receipts under this Code section during such fiscal year. A county or municipality contractually expending funds to meet the expenditure requirements of this Code section shall require the contracting party to provide audit verification that the contracting party makes use of such funds in conformity with the requirements of the Code section. [OCGA 48-13-51(a)(9)(B)]	1	
	<i>(Note to Reviewer: Excise and Special Use Taxes, specifically Hotel/Motel Tax revenues are reported in Part I, Section C, line 3 on the Report of Local Government Finances.)</i>		
D3.	For counties and municipalities levying and collecting an excise tax on rental motor vehicles in accordance with the provisions of OCGA 48-13-93, as a part of the audit report required under Code section 36-81-7, the auditor should include, in a separate schedule, a report of the revenues and expenditures pertaining to the tax. (OCGA 48-13-96)	1	

D4.	Each grant of state funds to a recipient local government from the Governor's Emergency Fund or from a special project appropriation is conditioned upon the receipt by the state auditor of a properly completed Grant Certification Form. The Grant Certification Form requires certification by the local government and by the local government auditor (auditor certification is required only on grant awards exceeding \$5,000) that the grant funds were used solely for the express purpose or purposes for which the grant was made. The Grant Certification Form must be filed with the State Auditor in conjunction with the annual audit required under OCGA 36-81-7 for each year in which the grant funds are expended or remain unexpended by the local government. Failure to comply results in forfeiture of the grant and return to the state of any grant funds received by the local government. (OCGA 36-81-8.1)	1	
-----	--	---	--